

11 April 1958

**OUR CONTRIBUTION TO THE SEMI-ANNUAL REPORT  
TO THE PRESIDENT'S BOARD OF CONSULTANTS  
ON FOREIGN INTELLIGENCE ACTIVITIES**

**I. Economic and Geographic Intelligence Production**

- A. Economic.** Growing Soviet achievements in science and military technology have continued to influence the production of economic intelligence. Through all-source analyses, ORR has undertaken to assess the economic costs of advanced Soviet weapons systems and over-all military expenditures, including expenditures on atomic energy. In connection with recent National Intelligence Estimates covering the Soviet ICBM and Soviet capabilities in the field of guided missiles, ORR provided the principal intelligence contributions on the economic factors affecting operational capabilities and costs.

Research continued during the period on the analysis of factors causing the moderate slow-down in the rate of economic growth in the Sino-Soviet Bloc countries and the nature of Bloc responses to this development. Progress also continued on our efforts to ascertain the size, growth, and structure of the Bloc economies. In this connection, a comprehensive set of national accounts for the USSR in 1955 has been completed and work has progressed on the calculation of national accounts for the European Satellites as well as Communist China. This research is an important element in ORR's contributions to National Intelligence Estimates of Soviet, Chinese Communist, and Satellite capabilities.

Special attention was devoted to research on a number of other priority topics including: the Sino-Soviet Bloc economic offensive in underdeveloped countries; the Soviet and Satellite civil defense programs; and the policies, performance, and prospects of Soviet agriculture, including Khrushchev's highly publicized meat-and-milk programs.

In implementation of the revised U.S. economic defense policy, extensive economic intelligence support was provided at the request of the Economic Defense Advisory Committee for use in the first comprehensive review of the multilateral trade control since 1954. ORR commodity specialists are also providing direct intelligence support to the U.S. Delegation at the CCECM meetings currently being held in Paris to consider revision of the international trade control lists.

- B. Geographic. Production of geographic intelligence on nuclear energy sites and guided missile ranges in the USSR increased sharply. This included geographic analyses of the testing site on Novaya Zemlya and the missile range in Cheva. Study of Soviet geodetic and gravimetric capabilities continued to provide essential support to the assessment of Soviet plans and capabilities in the earth satellite and missile fields.

Further progress was made in the production of unconventional warfare feasibility studies in accordance with the established inter-agency program in this field. One such study has been used in analysis and planning in connection with the Indonesian rebellion.

An analysis of Soviet IOY activities and intentions with respect to Antarctica contributed to a Special National Intelligence Estimate on this area. Other geographic research activities included special studies of North African and Latin American boundary problems and studies of contrasting national policies on territorial waters.

## II. Major Intelligence Gaps

- A. Economic Intelligence. Serious deficiencies in direct information on Bloc military programs and expenditures still persist necessitating a continuation of indirect methods of analysis and estimation. Major gaps remain in our knowledge of Bloc production of electronic equipment, particularly that equipment used for military purposes. Direct information is also lacking in other fields connected with military programs and expenditures, particularly the scope of activities covered by the published version of the Soviet defense budget. Other important intelligence gaps include the extent of Soviet civil defense shelter construction; actual drawings on Bloc credits to underdeveloped countries; the status of Soviet plans for integration of the European Satellite countries; and definitive information on the economic aspects of the recent reorganization of Soviet industry.
- B. Geographic Intelligence. During the period under review, the lack of adequate topographic maps of the USSR has been recognized by all interested agencies as a critical intelligence deficiency. The flow of geographic intelligence from Egypt and Syria has been sharply reduced, although there has been some improvement in the receipt of such intelligence from other parts of the Near East.

## III. Dissemination and Utilization of OIA Products

- A. Economic Intelligence. Economic intelligence on Soviet military

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expenditures was supplied to the Director of the Bureau of the Budget, the Joint Chiefs of Staff, the Department of the Army, and the Department of State. Continued economic intelligence support on such matters as U.S. economic defense policy and the Soviet economic offensive was provided to the Economic Defense Advisory Committee, the Operations Coordinating Board, and the President's Council on Foreign Economic Policy. In addition, a special study was prepared for the National Security Council on the Soviet civil defense shelter program.

Among the more notable appreciations of ORR's economic intelligence activities received since 1 October 1957, were commendations from the Director of Targets, Assistant Chief of Staff, Intelligence, Department of the Air Force, for intelligence support in the compilation of the target data inventory; from the Assistant Secretary of Defense for International Affairs, commending the reports on "Sino-Soviet Bloc Economic Activities in Underdeveloped Areas"; and from W. Rowan Gaither, Chairman of the Gaither Committee, commenting on the great value of the ORR report, "Soviet Defense Expenditures."

- B. Geographic Intelligence. A representative of ORR briefed the President and the National Security Council on the military geography of Sumatra. Intelligence provided on the importance of U.S. technical superiority in the production of gravimeters was used by the Department of Commerce in consideration of certain requests for export licenses, and geographic intelligence provided to the Department of State was utilized in the settlement of the recent Spanish-Moroccan territorial dispute. A letter was received from the Assistant Chief of Staff, Intelligence, U.S. Air Force, commending the Agency for support given to the USAF in the field of evasion and escape.

#### IV. Guidance to Collectors and Intelligence Collection Activities

ORR and OSI have each detailed an experienced guided missile analyst to a special task force established to orient personnel responsible for planning and implementing covert operations designed to develop a maximum collection potential against the highly secure Soviet guided missile program. Important collection guides on possible Soviet rail-mobile ICBM and ICBM systems have been completed, and ORR and OSI have also produced a comprehensive covert collection planning aid on the Soviet ICBM program. In addition,

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25X1X7 Active support to the IAC Ad Hoc Committee on Exchange Delegations has continued through suggestions for proposed itineraries and through briefings of participants on U.S. delegations. Recently, efforts have been made to improve coordination with the [REDACTED] in their program of exchanges.

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There is an increasingly large volume of information in open-source publications of the Sino-Soviet Bloc. This material is growing in importance as a source of economic and geographic information.

In connection with an NSC request, priority requirements on Soviet civil defense preparations were transmitted to field collectors. These will be followed shortly by a statement of comprehensive requirements on this subject.

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In connection with the deficiency noted in paragraph II above, major progress has been achieved in developing a coordinated inter-agency program for the collection of Soviet topographic maps. A comprehensive statement of scale and area priorities has been provided to the clandestine collectors for planning purposes.

V. Coordination of Economic and Geographic Intelligence

NSCID 15, DCID 15/1, and the EIC Terms of Reference--the basic intelligence Directives covering economic intelligence production and coordination--were reviewed during this period. NSCID 15 was eliminated, since its provisions were adequately covered by other NSCID's. Revisions of DCID 15/1 and the EIC Terms of Reference are currently under review by the EIC. The statement of Priority National Economic Intelligence Objectives was revised by the EIC to conform to the recently revised statement of Priority National Intelligence Objectives.

An EIC survey of professional personnel within the U.S. Government engaged in economic research of intelligence significance on Bloc and non-Bloc areas is nearing completion. This survey will assess the total effort in this field identifying areas of unnecessary duplication as well as areas of inadequate coverage. The EIC reviewed three contract proposals for external research contracts involving more than \$300,000. Comments and suggestions were forwarded to the sponsoring agencies for their guidance.

The EIC continued its studies on Communist China's trade and on the Soviet economic offensive in underdeveloped areas. Regarding the latter, the EIC, at the request of OCB, has undertaken to determine the extent to which additional unclassified material on this subject could be made available.

OSR representatives participated in 25X1X7  
annual intelligence conferences on: land armaments, aircraft production, shipbuilding, and electronics. The coordination and scope of CIA support for the Air Targets effort is continuing to improve and expand; and coordination with Army intelligence components on the subject of high-energy fuels has also increased. 25X1X7

An agreement was reached with [REDACTED] for cooperation in the production of Soviet Bloc city plans of priority intelligence importance.